King County IT Re-Organization Project

Phase I:
Comprehensive Assessment

Deliverable 6:
Criteria for Structure Of IT in Executive Branch

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I. INTRODUCTION

During the comprehensive assessment phase of the Executive Branch IT reorganization project, SLR consultants spoke with Directors and Division Managers across the Executive Branch of King County. In the course of those conversations, these leaders raised a number of critical questions and concerns about the reorganization, including:

- What will get centralized? What will be distributed? What is the rationale for these choices?
- How will departments' accountability for their business processes which are dependent on IT be addressed, and what is central IT accountable for?
- How will the specific business needs of Departments be taken into account?

In response to these questions and concerns, SLR consultants felt it was critical to make explicit some of the key assumptions underlying the process of developing alternative organizational structures for Executive Branch IT.

These assumptions are articulated in this report as a set of five guiding principles for organizational structure. Within each of the five principles, a set of criteria have been articulated which identify specific features that the optimal organizational structure will have.

Parameters of "Structure"

These criteria relate *specifically and exclusively* to the structure of the Executive Branch organization. The structural dimension of organizations encompasses issues such as:

- Reporting relationships
- Roles
- Staffing
- Span of control
- Grouping and location of key functions and processes

Of course, structure is only one component of the overall reorganization, which will also include changes in processes, and development of leadership and management capacity. The Organizational Structure and Leadership and Management Plan will explore in detail the alignment of all these dimensions.

How were the criteria developed?

The principles and criteria presented here incorporate the issues and perspectives raised by a number of different stakeholders. The guiding principles and criteria were first drafted by SLR consultants. Input on that draft was gathered from members of the IT Reorganization Steering Committee. That input was used

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to develop a second draft, which was reviewed by OIRM project managers. Project manager feedback was incorporated into a third draft, which was reviewed by the CIO. His input was folded into the final draft included in this report.

To the extent possible, stakeholders' feedback was built into the revisions of the principles and criteria – from small wording changes to the deletion and addition of whole components.

However, for some people, the principles and criteria raised issues and concerns that extended beyond the structural dimension of IT reorganization. These issues and concerns are important to note and to address through other aspects of the plan. We have captured these key ideas in this report in section III, called "Additional Feedback."

How to use the criteria

The structural principles and criteria presented here are meant as guidelines and should not be understood to be rigid laws. Taken together, these criteria define a desired end state for the organizational structure, but they are not intended to address issues of transition or implementation.

The principles and criteria will also be useful as a tool for comparing structural options. Each structural alternative (to be presented as an element of the Draft Plan for Organizational Structure, Leadership and Management) can be weighed against the criteria as a way of making visible the specific advantages and challenges of each.

Criteria in Context

The structural principles and criteria are best understood in the context of a set of overarching desired results for the reorganization.

There are four overarching desired results of IT reorganization, including:

1. Reduce risk

2. Use resources wisely

3. Enhance customer service

4. Lead technical initiatives and changes

The optimal organizational structure will support these desired results, and the aim of the criteria is to describe how. (The Draft Organizational Structure and Leadership Management Plan will address these desired results in greater detail.)

II. Guiding principles and criteria

Guiding Principles and Criteria for the Reorganization of King County Executive Branch IT are presented in the two-page matrix on the following page.

- Page one of the matrix lays out five structural Principles and the specific criteria associated with each.
- Page two of the matrix links each structural principle to the desired result(s) which it supports and outlines a brief rationale for each – answering the question "how will enacting these criteria help accomplish the desired results?"

Following the matrix are some additional notes to add clarifying detail in a few areas.

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Guiding Principles and Criteria for the Re-Organization of the King County Executive Branch IT

Principle	*There will be clear and consistent reporting relationships and accountability for IT across the Executive Branch.[i]*	*The structure will support the development, retention and effective use of IT management and staff.*	*Functions that do not vary across Departments will be standardized and/or centralized[ii] to reduce cost and increase consistency of service*	*The structure will facilitate customer service.*	*The structure will be flexible and adaptable to the changing and diverse business requirements of Departments and IT.*
Criteria	The CIO is accountable for the cost-effective, secure, and forward thinking delivery of information technology across King County.[iii]	Staffing levels of standard IT maintenance and service functions are appropriate to the workload and needs of the business.	IT infrastructure and functions that do not vary by Department will be centralized in Central IT when possible, assuming that adequate or improved service levels can be maintained.	IT skills and/or tools used by a single department to support a service or process that only they provide or require remain within the domain of the department.	The structure will support IT staff teamwork and partnership (within and across department boundaries) by taking into account matrix relationships and/or pairing those relationships with processes that delineate how collaboration will occur.
	IT SDMs have the leadership and oversight of all IT functions within their departments and accountability for the contractual agreements with Central IT for services.	IT managers with direct reports at manager or supervisor level have no more than 5-8 direct reports.[iv]	IT infrastructure and functions that do not vary by Department will be standardized and delivered at a local Department level when necessary, to improve performance.	The Central IT organization is structured to align with customer requirements.	The structure supports technical innovation.
	IT SDMs have a dual but clear reporting relationship to Central IT leadership and their Department leadership.	IT supervisors with staff level direct reports have no more than 12-15 direct reports.	Each enterprise-wide service is provided by a single department which has the necessary core competency and depth of resources to sustain service delivery.		
	IT staff report to an IT supervisor or manager who provides guidance and support in their particular area of expertise.[v]	Employees performing IT work are classified as IT staff.			
	IT is structured similarly across all Executive Branch Departments.	Human Resources and staff recruitment, development and retention have a clear focus.			

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Principle	There will be clear and consistent reporting relationships and accountability for IT across the Executive Branch.[i]	The structure will support the development, retention and effective use of IT management and staff.	Functions that do not vary across Departments will be standardized and/or centralized[ii] to reduce cost and increase consistency of service	The structure will facilitate customer service.	The structure will be flexible and adaptable to the changing and diverse business requirements of Departments and IT.
Desired Results Supported[vi]	➢ Reduce Risk	➢ Lead Technical Initiatives and Changes ➢ Enhance Customer Service ➢ Use Resources Wisely ➢ Reduce Risk	➢ Use Resources Wisely ➢ Enhance Customer Service	➢ Enhance Customer Service	➢ Lead Technical Initiatives and Changes ➢ Enhance Customer Service
Rationale	Clear roles and relationships are critical to ensuring the accountability and effective governance of IT in the Executive Branch. Clear lines of authority also support the Executive Branch's ability to ensure business continuity.	Effective use and support of IT management and staff is critical to the efficient and effective delivery of IT services. Retaining skilled staff also enables the development and application of innovative technologies that meet the business requirements of the Executive branch. Executive Branch IT's ability to attract, support, and retain a skilled IT workforce supports the goal of reducing risk by enabling the preservation of the knowledge and expertise crucial to sustain best practices and ensure business continuity. Successful development and retention of staff supports the desired result of cost savings by limiting recruitment, hiring, and ramp-up costs associated with new employees.	To achieve IT cost reductions and improve the consistency of IT services in the Executive Branch it is critical to seek increased efficiencies and opportunities to leverage economies of scale, reduce unnecessary duplication, and standardize common IT functions. To achieve and sustain high quality service levels across all Executive Branch departments, some IT services may be best distributed, and some IT staff and technologies must remain devoted to the specialized, unique needs of particular customer groups. Thus, the degree of centralization or distribution of IT functions must be governed by criteria tied to both cost effectiveness goals and service level goals.	Alignment with customer requirements requires IT structures designed to facilitate: - visibility and accessibility of services - efficient channels for the development and delivery of services - strong points of interface with customers Executive Branch customers of central IT also require high-level consulting and training coordination services, which can also be structurally supported. Many customer groups served by Executive Branch departments have distinct technical needs that require unique and specialized IT solutions and which are most effectively delivered through ongoing IT – business relationships at the local level.	The business requirements of IT customers in King County are highly diverse and always changing. At the same time, technologies and their applications are also changing. In order to respond to business needs and play a leadership role in IT for the Executive Branch, the structure must allow for adaptation to change. Identifying the parameters of change – what is needed and what is possible - cannot be done by a single entity; it requires partnerships between business and IT, and information-sharing across IT staff. Cost-effective implementation of change also requires partnership and coordination.

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III. ADDITIONAL FEEDBACK

In addition to the input that helped to shape this final draft of the principles and criteria, steering committee feedback on the Structural Principles and Criteria included a number of important concerns and ideas which will need to be addressed in other parts of the plan.

Service Level Measures

Some steering committee members re-iterated a concern that the desired result of enhancing customer service must be linked to a performance measurement system. One important suggestion was that a universally accessible Help Desk system with associated metrics would be a pivotal way to systematize performance measurement.

Accounting

Steering committee members raised concerns about the budget and accounting implications of centralization of IT functions.

- Appropriate financial management controls will need to be implemented to meet the auditing requirements of special revenue funds supporting IT staff and purchasing.
- The current OIRM cost model (OIRM as a cost center that passes on costs for overhead through service rates) is not seen as cost effective from a department standpoint, since a department cannot reduce overhead by outsourcing services to OIRM. Further study of the relationship of the King County cost model and the proposed reorganization will be needed.
- Processes to support budget and fiscal accountability will also be needed to support the larger desired results of risk reduction.

High level support

Committee member feedback emphasized that some of the ideals set forth in the criteria will require high level support for implementation. To implement criteria related to staffing levels, for example, will require support from the Cabinet, Executive, and ultimately Council.

Feedback also suggested that IT SDMs will need to work closely together to enact the criteria that similar IT functions should be similarly structured across all Executive Branch departments.

Parameters for Centralization

Committee members highlighted some specific concerns around centralization of IT within departments.

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Steering committee members felt it will be desirable to have a preliminary list which identifies specifically which IT functions will be centralized, which will distributed but standardized, and which will be distributed and specialized. (A draft version of such a list will be included in the Draft Organizational Structure and Management and Leadership Plan.)

Questions were raised about whether further centralization in large departments like DOT – where transit has a large centralized component already – makes sense

Another concern is that restructuring at the department level will have to be done with full understanding of the unique technologies that require specific, designated staff supports. (e.g. the Environmental Lab and Solid Waste Division cashiering system in DNRP.)

Also, committee members noted that a change in structure to a centralized IT unit within departments which currently have no central IT will require extensive coordination between IT and the department business units to ensure ongoing connectivity between IT support staff and business line managers.

Feedback also included a concern about the transition process from business-line supervisors to IT supervisors. Committee members emphasized that implementing the shift will bring new administrative and financial management challenges and will seem to reduce the level of control business managers will have over IT functions. Steering committee members emphasized that acknowledging and addressing this aspect of transition will be an important element of transition planning.

NEXT STEPS

In the immediate future, the principles and criteria will be used to guide the development of structure options. Three different structural paradigms will be explored in the Draft Organizational Structure and Leadership and Management Plan.

As those structural options are considered and weighed through the review and discussion process following the Draft Plan, the principles and criteria may also be used to help identify the pros and cons of each structure.

ENDNOTES

i   In addition to the criteria in the matrix, accountability goals will be achieved through implementation of IT standards and policies, including:

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- Security and compliance
- Data storage and management
- IT business continuity
- Governance and project management processes
- Servers, systems, and network
- Enterprise architecture
- Enterprise applications

ii   'Centralization' within a department may or may not imply physical re-location of IT staff. In some cases, relocation may be highly desirable. In other cases, there may be compelling reasons to leave staff where they are.

iii   Executive Branch departments need to have opportunity to provide input to IT-related decisions, policies, and standards in a clear and visible manner, through the Technology Management Board, the Business Management Council, and task-specific collaborative cross-department groups.

iv   The span of control ranges in the criteria under this principle should be understood as rules of thumb. There will likely be individual cases where span of control ranges differ for good and appropriate reasons.

v   The criteria that IT staff should report to an IT manager does *not* imply that non-IT staff couldn't report to an IT manager. The important idea in this criteria is to create reporting relationships which support the development of technical expertise and enhance guidance for IT staff regarding IT career ladders.

vi   It is important to note that organizational structure is only one of several avenues for achieving the desired results. Other important changes – including process changes and Leadership and Management capacity-building - will need to work in concert with the revised structure to accomplish the desired results.

The Draft Organizational Structure and Leadership and Management Plan will identify the linkages between each component and the desired results.

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